



INDIANA UTILITY REGULATORY COMMISSION
302 W. WASHINGTON STREET, SUITE E-306
INDIANAPOLIS, INDIANA 46204-2764

<http://www.state.in.us/iurc/>
Office: (317) 232-2701
Facsimile: (317) 232-6758

**IN THE MATTER OF THE PETITION OF INDIANA)
BELL TELEPHONE COMPANY, INCORPORATED,)
D/B/A AMERITECH INDIANA PURSUANT TO)
I.C. 8-1-2-61 FOR A THREE-PHASE PROCESS FOR)
COMMISSION REVIEW OF VARIOUS)
SUBMISSIONS OF AMERITECH INDIANA TO)
SHOW COMPLIANCE WITH SECTION 271(C) OF)
THE TELECOMMUNICATIONS ACT OF 1996)**

FILED

NOV 10 2003

INDIANA UTILITY
REGULATORY COMMISSION

CAUSE NO. 41657

You are hereby notified that on this date, the Indiana Utility Regulatory Commission has caused the following entry to be made:

On July 2, 2003, the Commission issued its Compliance Order in this Cause. In Appendix One to our July 2, 2003 Compliance Order, the Commission directed BearingPoint¹ to file a report by December 1, 2003. The Commission further indicated that it would determine how best to proceed after hearing from SBC Indiana² and any interested parties. On October 30, 2003, the presiding officers issued a docket entry setting forth a new filing schedule for BearingPoint's report (November 21, 2003), and allowing an opportunity for reply comments from both BearingPoint and parties. We also stated we would issue a subsequent entry identifying our expectations for BearingPoint's report and minimum expectations for SBC's initial comments. We also stated we would address the question of whether BearingPoint should consider Hybrid PM Users Guide – Version 1.8 in its reporting of test results.

The presiding officers understand that BearingPoint is not planning any additional testing after it submits its November 21 report. However, the decision regarding whether the test will conclude or continue rests with the IURC, consistent with the July 2 Compliance Order. The Commission will expeditiously review the report and all other filings. Following our review, we anticipate that the Commission would issue an order referring certain unresolved problems and issues to future audits and/or requiring SBC to take such other corrective actions as the Commission may determine to be appropriate.

We find that BearingPoint, SBC, and other parties should make their respective filings consistent with the following requirements.

¹ BearingPoint will also be referred to as "BP" in this docket entry.

² SBC Indiana will also be referred to as "SBC" or "SBCI" in this docket entry.

BearingPoint November 21, 2003 Deliverables:

On November 21, 2003, BearingPoint should report the current status of: (1) BearingPoint's PMR testing in Indiana (with all test completion and reporting cut-off dates specifically identified) and (2) the current status of all additional validation activities undertaken at SBC's request and associated with "Closed Not Satisfied" Observations and Exceptions and/or unsatisfied PMR Test References.

"PMR" Components of the November 21, 2003, BearingPoint Report to include:

1. Current, Indiana-specific affidavit, consistent with this docket entry;
2. PMR Report (Appendix A to the Affidavit), to include:
 - a. Updated version of the Executive Summary to BearingPoint's May 12, 2003, Indiana Interim Report;
 - b. Updated version of all PMR-related portions of the body of the May 12 report;
 - c. Updated versions of all appendices (or portions of appendices) to the May 12 report, applicable to the PMR test, as needed;
 - d. NEW "Indeterminate" and "Not Applicable" PMR appendix, identifying any PMR results for Indiana that BP is reporting in either of those two categories and including the reason(s) for each such designation;
 - e. Updated version of the Observation & Exceptions status spreadsheet that was submitted with the May 12 report [<http://www.osstesting.com/Documents/IN%20Report/IN%20OE%20Summary%20050903.xls>];
 - f. New Cross Reference Table(s)/Chart(s) Comparing the November 21 report to the May 12 Report; and
 - g. A table(s) or chart(s) cross referencing performance measures, Observations, Exceptions, and BearingPoint PMR tests;
 - h. Updated, Indiana-specific version of Ohio/Wisconsin Appendix C to the Affidavit;
 - i. Updated, Indiana-specific version of Ohio/Wisconsin Appendix E to the Affidavit;
 - j. BearingPoint shall continue to report PMR 5 results for SBC Indiana using a 1% materiality standard. BearingPoint may also report PMR 5 results based upon other materiality standards, as requested by SBC (e.g., based upon a 5% materiality standard). If and to the extent that BearingPoint does report replication results based upon materiality standards other than 1%, it should include in its November 21, 2003, filings a sensitivity table that clearly identifies the other materiality standard(s) and shows the impact on the test results of applying the other standards;
 - k. Reporting of the impact of PM Users Guide Hybrid Version 1.8 and 1.9 on test results shall be consistent with this docket entry.);

- l. Clear identification for each affected performance measure and each affected Observation and Exception, of the version of the performance measures and business rules it relied upon in its additional validation activities (Version 1.8, Hybrid Version 1.8, Version 1.9, or other (“other” should be specifically identified)); and
- m. A separate, stand-alone list that clearly identifies any and all PMR Observations, Exceptions, and Test References that SBC did not satisfactorily address by November 21, and describes the nature, significance, and impact of the problems.

Consideration and Use of Hybrid PM Users Guide Version 1.8

We note that the Commissions or staffs in the other SBC Midwest states have authorized BearingPoint to consider the so-called “Hybrid version 1.8” of the PM Users Guide in its testing and analysis. SBC has previously asserted that the changes contained in the Hybrid version 1.8 are “documentation only” in nature. We take no position on SBC’s assertion at this time. However, we will permit BP to consider “Hybrid version 1.8” of the PM Users Guide for purposes of its November 21, 2003 report, with the following conditions:

- BP should identify and explain any additional analysis or “validation activities” that were specifically required by, or conducted in the context of, the use of Hybrid version 1.8.
- BearingPoint should also preserve the historical record of each observation and or exception already issued that would be altered as a result of implementing Hybrid Version 1.8 of the business rules.
- BP should clearly identify and explain any result that changed from Fail or Miss to Pass or Hit solely because of considering Hybrid Version 1.8 of the performance measures and business rules; and
- BearingPoint should clearly identify and explain any instances in which it disagrees with SBC on the classification of a particular PM or business rule change as “documentation only”; and
- When possible, BP should cross reference each performance measure, and each change in PM or business rule language that BP considered, to the applicable Observations, Exceptions, and/or Test Points; and

Consideration and Use of PM Users Guide Version 1.9

If and to the extent that BP reports test results based upon a consideration of PM Users Guide Version 1.9, the following minimum conditions apply:

- BP should identify and explain any additional analysis or “validation activities” that were specifically required by, or conducted in the context of, the use of Version 1.9;

- BearingPoint should also preserve the historical record of each observation and or exception already issued that would be altered as a result of implementing Version 1.9 of the business rules;
- BP should clearly identify and explain any result that changed from Fail or Miss to Pass or Hit solely because of considering Version 1.9 of the performance measures and business rules;
- BearingPoint should clearly identify and explain any instances in which it disagrees with SBC on the classification of a particular PM or business rule change as “documentation only”; and
- When possible, BP should cross reference each performance measure, and each change in PM or business rule language that BP considered, to the applicable Observations, Exceptions, and/or Test Points.

SBC Indiana’s December 9 Affidavits, Comments, and Supporting Documentation:

We find that SBC shall submit comments, with supporting affidavit(s), that address all Not Satisfied and Indeterminate test points contained in BearingPoint's November 21st Report and all “additional validation” efforts that BP has performed at SBC Indiana’s request. At a minimum, SBC’s December 9 filing shall:

- Respond to those portions of BearingPoint’s November 21 report and other filings pertaining to “not Satisfied” and “Indeterminate” Observations, Exceptions, and test results; explaining, by performance measure, why the applicable Observations, Exceptions, and Evaluation Criteria or Test References have not been satisfied;
- Clearly identify and explain which version of performance measures and business rules (e.g., Version 1.8, Hybrid 1.8, Version 1.9 or other (“other” should be specifically identified)) it is relying upon to support the specific assertions it makes in its December 9, 2003, affidavits, comments, etc.;
- Clearly identify and explain, for each item (PMR Observation, Exception, or Test Reference) that BP has classified as “Not Satisfied” or “Indeterminate”:
 - Which items SBC believes have already been satisfactorily remedied - subsequent to the applicable data month(s), restatement date(s), or test date(s)³
 - Identifying when and how (e.g., through either system or process, changes) SBC believes it has satisfactorily remedied the item in question⁴; and
 - Which items SBC has not already remedied, along with an explanation of why it has not done so, for each such item;
 - Each Observation and Exception for which SBC Indiana did not agree to retesting, and an explanation;

³ Where applicable, SBC will provide evidence of third party validation that the issue or problem identified by BP has been remedied, although not reflected in the Satisfied test points or in the satisfactory closure of PMR Observations, Exceptions, or Test References.

⁴ SBC’s December 9, 2003, filing shall also clearly identify and explain each of those changes and when SBC implemented those changes.

- Each PM and PM result for the data months of July, August, and September, 2002, for which SBC did not restate results at all, or for which restatement was not included in the BP Nov. 21, 2003, Report to the IURC;
 - Which item(s) SBC has not already remedied but intends to remedy in the future (with an explanation of how and when it intends to do so, for each such item);
 - Which items SBC does not intend to address at all (if any);
 - Which items SBC believes are immaterial from a commercial impact perspective (SBC shall clearly identify and explain the materiality standard(s) or other criterion(a) it is using in its assessment).
- Specifically identify which item(s) should be addressed in subsequent audits and which items should be addressed in another fashion. In either case, for each problem or issue that either BearingPoint or SBC identifies were not addressed or satisfied prior to November 21, 2003, SBC should explicitly identify those problems or issues to which it will not object or contest being addressed in subsequent audits.

Requirements for Not Satisfied or Indeterminate items that SBC believes it would have satisfied if certain performance measure or business rule language had been in place at some prior date while the BearingPoint PM Audit was underway.

We find that, if and to the extent: (1) parties have reached agreement on certain business rules or business rule changes that SBC Indiana believes, had they been in place at some point in time during the course of the BearingPoint PM Audit, it would have passed some portion(s) of that Audit, and (2) the IURC is in receipt of joint reports, joint motions, or other applicable joint filings to that effect on or before December 8, 2003, SBC Indiana should so indicate in its required December 9 filings. If SBC Indiana does so indicate, its December 9 filing should:

- Separately identify each performance measure and each change to PM or business rule language that SBC believes would have allowed it to pass some portion of the BearingPoint PM Audit that it has not otherwise passed;
- Clearly identify the applicable version of the PM User Guide (e.g., Version 1.8, Hybrid Version 1.8, Version 1.9);
- Clearly identify the nature of the change and clearly define any terms used (e.g., “documentation-only”); and
- Cross reference each performance measure and each change to each Observation, Exception, and Test Point that SBC believes it would pass if those changes had been in effect.

BearingPoint’s December 31 filings

- On or before December 31, 2003, BearingPoint shall respond to SBC’s December 9 filings. Such response shall contain, at a minimum, the following:

- (To the extent not already addressed in the Nov. 21 filings) Supplemental Affidavit - and any necessary supporting attachments, appendices or other documents – regarding Specific “Additional Validation Efforts” that BearingPoint has undertaken on behalf of SBC Indiana specifically including, but not limited to, a detailed response to SBC Indiana’s statements, assertions, and analysis, commitments, etc., regarding those problems or issues identified during the PMR that were not corrected by November 21, 2003; and
- Supplement or update its November 21 report, as needed.

The December 31 supplemental affidavit and supporting documents shall include:

*For performance measures for which SBC has not restated results for July – September 2002, due to either **system-related** or **process-related** issues, but for which SBCI asserts that corrections have been made prospectively:*

Analysis and Findings. If restatement is truly not feasible for either **system-related** or **process-related** issues, the only alternatives appear to be to instruct BP to pick another test bed and run the entire replication process again, or have BP opine about the changes SBCI asserts it has made. We are not requiring the first option. However, an evaluation by BP of restatements made subsequent to the PMR 5 data months due to possible system-related or process-related issues could provide additional information to the Commission.

- As a part of this analysis and reporting, we find that BP should assess SBCI’s assertions regarding the system changes and process revisions SBCI states that it has made and, to the extent BP can determine, whether and to what extent those changes have addressed the problems that BP identified. As a part of this analysis and reporting, BP may perform such analysis as reviewing SBC computer code, SBC test plans, SBC test results, and SBC procedural documentation.

For business rules for which SBCI asserts that the changes have been agreed to in six-month review collaboratives or are under discussion:

Analysis and Findings. We addressed the reporting by BP on the impact of PM Users Guide Version 1.9, as well as Hybrid Version 1.8 above. This section deals with other proposed changes to performance measures and business rules that, according to SBC, had they been in place for the PMR 5 data months, the company would have satisfied certain aspects of the PM Audit that it did not otherwise satisfy.

Changes to the business rules are made/negotiated in the six-month collaborative process. Parties have held various “six-month review” workshops subsequent to September, 2002, which was the last of the three data months for PMR 5:

- Parties held limited discussions in the first part of this year, focusing primarily on billing measures. We are administratively aware that parties have notified the Public Utilities Commission of Ohio of certain resolved and unresolved issues

arising out of these limited discussions and have jointly requested approval of certain changes to the business rules; the IURC awaits notification of, and a request to approve, agreed-upon changes by the parties in this proceeding. These changes, if approved by the IURC, would modify PM Users Guide Version 1.9.

- Finally, we note the current six-month collaborative workshops began on September 25, 2003. Our understanding is that SBC may wish to assert that some or all of those changes that it believes are “documentation-only”, had they been in place during the PMR 5 data months, would have allowed it to satisfy certain BearingPoint Observations and/or Exceptions. We understand that there are a considerable number of unresolved issues in these workshops; however, we do not know the specific level of agreement or disagreement that may exist on the purported documentation-only changes, as parties have not notified the IURC of any agreements nor sought approval of any business rule changes arising out of the current six-month review workshops. As far as we are aware, parties have not made any such filings in any of the other four SBC Midwest states, either. These changes, if approved by the IURC, would modify PM Users Guide Version 1.9.

Without direct input from the CLEC community, the Commission cannot be sure changes to the business rules (Version 1.9) are feasible or desirable to the CLEC community. It would be inappropriate for SBCI and BP to unilaterally determine that a proposed business rule change would address a problem, since the business rule changes could potentially affect the CLECs performance and systems.

Any BearingPoint reply comments to any December 9 assertions by SBC regarding performance measures or business rules that SBC believes, had they been in place at some point in time during the course of the BearingPoint PM Audit, it would have passed some portion(s) of that Audit, BearingPoint should, at a minimum:

- Identify and explain any additional analysis or “validation activities” that were specifically required by, or conducted in the context of, the use of performance measure or business rule language not included in Versions 1.8, Hybrid 1.8, or 1.9;
- Preserve the historical record of each observation and or exception already issued that would be altered as a result of implementing performance measure or business rule language not included in Versions 1.8, Hybrid 1.8, or 1.9;
- Clearly identify and explain any result that changed from Fail or Miss to Pass or Hit solely because of considering performance measure or business rule language not included in Versions 1.8, Hybrid 1.8, or 1.9 of the performance measures and business rules;
- Clearly identify and explain any instances in which it disagrees with SBC on the classification of a particular PM or business rule change as “documentation only”; and
- When possible, cross reference (by performance measure) each change in PM or business rule language that BP considered, to the applicable Observations, Exceptions, and/or Test Points.

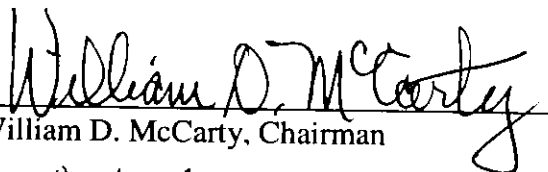
CLEC/OUCC December 31 filings

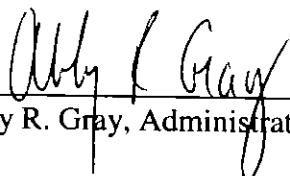
- If applicable, no later than December 31, 2003, BearingPoint and CLECs (and the OUCC, if it so desires) should comment on SBC's December 9 filing(s), if and to the extent they wish to take advantage of this opportunity.

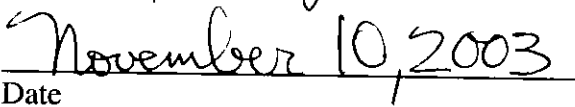
IURC Next Steps


After reviewing the BearingPoint report and any comments, and the filings from SBC and other parties, the Commission will determine which unsatisfactory items will be addressed in subsequent PM audits or through other means.

IT IS SO ORDERED.


William D. McCarty, Chairman


Abby R. Gray, Administrative Law Judge


Date


Nancy E. Manley
Secretary to the Commission